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NSC BRIEFING

13 May 1954

VIETNAMESE GOVERNMENT FACES DISINTEGRATION

I. Bao Dai government, competing Geneva with highly organized Viet Minh regime, is split and virtually at standstill.

A. Bao Dai and two thirds his ministers in Europe: two senior members still in Saigon at loggerheads.

II. Tonkin governor asserted 6 May Vietnam no longer had central government.

A. Only solution he saw was Bao Dai's return to become premier.

B. But it doubtful Bao Dai's direction government would remedy situation.

State Dept. review completed

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C. Anyway, he said recently it was his duty "to remain for some time in Europe to defend Vietnam on the international scale."

III. Paralysis of government in Saigon illustrated by fact "war cabinet" established 9 April had but one meeting.

A. This body includes Premier Buu Loc, Defense Minister Quat, and Chief of Staff General Hinh.

B. Latter two long been at odds.

IV. Shortly after formation, war cabinet issued general mobilization order.

A. But four weeks later, on 3 May, Hinh alleged that orders necessary to carry out decree been held up by Quat.

B. Quat denies and blames Hinh.

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- C. The premier, who might have mediated, was in Paris.
- D. Meanwhile, conscious of this animosity, the army is steadily deteriorating.
- V. Apart from its anomolous position regarding independence, weakness of Vietnam government been due to Bao Dai's influence.
 - A. He refuses all demands for a constitution or assembly and delegates authority to competing subordinates.
 - B. This pattern been varied by heavy-handed intervention when he sees a subordinate's strength developing.

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VI. Striking example Bao Dai's practice iniquitous intervention was decree 1 May giving control national police to a paramilitary, quasi-gangster organization.

A. This group, the Binh Xuyen, controls most important gambling concessions Saigon. Has been important source funds for Bao Dai.

1. About half million of Bao Dai's annual income \$7-8,000,000 comes from this source.

B. Binh Xuyen considered anti-Communist--long as anti-Communism profitable--but its elevation has seriously demoralized the sureté.

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- C. Rumors current that other Binh Xuyen leaders will get government jobs, even including governorship Cochinchina.

VII. Binh Xuyen affair heightened conflict between Hinh and Quat.

- A. 200 sureté officers resigned, joined with Hinh, taking along their files.
- B. Hinh hinted 7 May he would take files for political purposes through a military service he will set up.
- C. Quat states Hinh plans Gestapo.

VIII. Present situation now seems more one of paralysis than disintegration.

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- A. But suggestion of latter in action of pope politico-religious Cao Dai sect in Cochinchina. On 3 May he broadcast appeal to Ho Chi Minh for coalition against partition Vietnam.
- B. This group has 10,000 armed men that been scheduled for integration into Vietnam army.
- C. American embassy points out pope's appeal has increased forces of division and given impetus to steadily deteriorating political situation.
- D. This deterioration also reflected in recent remarks by Vietnamese labor minister who lived in Viet Minh area until '50.

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1. He expressed total disillusionment with "corrupt and totally unrepresentative" Bao Dai government; asked what American attitude would be if attempt made to set up "revolutionary government."
2. He said population in Viet Minh area opposed to Viet Minh but would revolt rather than put up with Bao Dai.

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